

# BED BATH & BEYOND®

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March 9, 2018

U.S. Postal Regulatory Commission  
901 New York Avenue NW, Suite 2000  
Washington, DC 20268-0001

## **RE: 10-Year Regulatory Review**

Dear Commissioners,

As a representative of Bed Bath & Beyond and a member of the mailing industry whose livelihood depends on a viable postal system, I am writing to convey my strong opposition to the changes you have proposed as a result of your 10-year review of the system for regulating rates. Last year, we accounted for more than 860 million pieces of mail.

By the Postal Regulatory Commission's (PRC) conservative estimates, this proposal would increase the postage costs of mail by perhaps more than 27% for letters and more than 40% for some flats over a five year period. In the past we have been able to partially offset postage increases by working with our business partners to find efficiencies. But those opportunities are exhausted. As we budget for current and future postage spending, these proposed increases are causing us to consider how to reduce mail volume by improved targeting and accelerating migration to digital channels wherever possible. We have made substantial cuts going into 2018 just because you are not going to anniversary you postal promotions. Retail budgets are tight – and these increases are budget busters. There is nothing to do but cut distribution.

More than ever before, it is critical that the PRC understands the effect that its proposal will have on mail users. The CPI cap provided welcome predictability that allowed us to plan for moderate rate increases by the Postal Service. Abandonment of the CPI cap will introduce a degree of uncertainty that will make alternatives to use of the mail much more attractive and certainly result in drastic distribution decrease to compensate.

Rather than ask the Postal Service to tighten its belt and improve service to retain volume, the PRC's proposal provides the Postal Service excessively broad pricing flexibility at a time when tight margins and greater uncertainty regarding postage rates are making the mail an increasingly unattractive communications medium. For these reasons, I urge you to reconsider your decision to permit the draconian rate increases that would inevitably result from your proposal. I suggest that a more appropriate focus is on improved understanding and management of the costs within the Postal Service. As a business, we must aggressively

manage our costs and provide high quality services to survive. Your proposal absolves the Postal Service of the need to meet similar standards by simply allowing them to increase prices to cover their costs. Please run the Postal Service as a business – not a government.

Regards,

Kevin Holt

Advertising Production Manager

Bed Bath & Beyond